

QUARTERLY REPORT

LICENSEE ADAMAR OF NEW JERSEY, INC.
TROPICANA CASINO & RESORT

FOR THE QUARTER ENDED DEC 31, 2003

**TO THE
CASINO CONTROL COMMISSION
STATE OF NEW JERSEY**



BALANCE SHEETS

AS OF DECEMBER 31, 2003 AND 2002

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 33,269	\$ 21,036
2	Short-Term Investments.....	0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2003, \$11,550 ; 2002, \$14,806).....	14,121	13,978
4	Inventories.....	3,313	3,258
5	Prepaid Expenses and Other Current Assets..... (Note 5,8,10).....	10,300	10,270
6	Total Current Assets.....	61,003	48,542
7	Investments, Advances, and Receivables..... (Note 6,7,11,14).....	21,397	19,253
8	Property and Equipment - Gross..... (Note 2).....	944,050	818,702
9	Less: Accumulated Depreciation and Amortization..... (Note 2).....	(259,800)	(236,124)
10	Property and Equipment - Net..... (Note 2).....	684,250	582,578
11	Other Assets..... (Note 5,8).....	26,290	12,940
12	Total Assets.....	\$ 792,940	\$ 663,313
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	\$ 9,718	\$ 9,208
14	Notes Payable.....	0	0
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	0	0
16	Other..... (Note 3,14).....	143	127
17	Income Taxes Payable and Accrued.....	0	0
18	Other Accrued Expenses..... (Note 12).....	22,499	22,368
19	Other Current Liabilities..... (Note 6).....	13,100	10,969
20	Total Current Liabilities.....	45,460	42,672
	Long-Term Debt:		
21	Due to Affiliates..... (Note 3,7,14).....	447,000	447,000
22	Other..... (Note 3,14).....	57	200
23	Deferred Credits.....	0	0
24	Other Liabilities..... (Note 7,13).....	168,702	39,339
25	Commitments and Contingencies..... (Note 6).....	0	0
26	Total Liabilities.....	661,219	529,211
27	Stockholder's, Partners', or Proprietor's Equity.....	131,721	134,102
28	Total Liabilities and Equity.....	\$ 792,940	\$ 663,313

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2003 AND 2002

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	Revenue:		
1	Casino.....	\$ 368,817	\$ 400,535
2	Rooms.....	46,797	47,836
3	Food and Beverage.....	50,173	52,852
4	Other.....	14,798	14,663
5	Total Revenue.....	480,585	515,886
6	Less: Promotional Allowances.....	86,319	92,830
7	Net Revenue.....	394,266	423,056
	Costs and Expenses:		
8	Cost of Goods and Services..... (Note 4,7).....	230,189	241,419
9	Selling, General, and Administrative..... (Note 7).....	57,155	60,620
10	Provision for Doubtful Accounts.....	1,151	2,386
11	Total Costs and Expenses.....	288,495	304,425
12	Gross Operating Profit.....	105,771	118,631
13	Depreciation and Amortization..... (Note 2).....	28,583	27,443
	Charges from Affiliates Other than Interest:		
14	Management Fees..... (Note 7).....	32,650	32,591
15	Other.....	0	0
16	Income (Loss) from Operations.....	44,538	58,597
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... (Note 3).....	(55,295)	(53,849)
18	Interest (Expense) - External..... (Note 3).....	8,287	2,938
19	Investment Alternative Tax and Related Income (Expense) - Net...(Note 6).....	(368)	2,297
20	Nonoperating Income (Expense) - Net..... (Note 4,15,16).....	(4,857)	(5,178)
21	Total Other Income (Expenses).....	(52,233)	(53,792)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(7,695)	4,805
23	Provision (Credit) for Income Taxes..... (Note 8).....	(5,314)	3,878
24	Income (Loss) Before Extraordinary Items.....	(2,381)	927
25	Extraordinary Items (Net of Income Taxes - 2003, \$0 ; 2002, \$0).....	0	0
26	Net Income (Loss).....	\$ (2,381)	\$ 927

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2003 AND 2002

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	Revenue:		
1	Casino.....	\$ 76,958	\$ 93,496
2	Rooms.....	10,124	10,994
3	Food and Beverage.....	10,900	12,442
4	Other.....	3,795	3,594
5	Total Revenue.....	101,777	120,526
6	Less: Promotional Allowances.....	19,023	21,468
7	Net Revenue.....	82,754	99,058
	Costs and Expenses:		
8	Cost of Goods and Services..... (Note 4,7).....	54,585	59,185
9	Selling, General, and Administrative..... (Note 7).....	14,127	14,200
10	Provision for Doubtful Accounts.....	152	486
11	Total Costs and Expenses.....	68,864	73,871
12	Gross Operating Profit.....	13,890	25,187
13	Depreciation and Amortization..... (Note 2).....	6,939	6,752
	Charges from Affiliates Other than Interest:		
14	Management Fees..... (Note 7).....	7,500	7,500
15	Other.....	0	0
16	Income (Loss) from Operations.....	(549)	10,935
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... (Note 3).....	(14,064)	(13,439)
18	Interest (Expense) - External..... (Note 3).....	2,587	1,134
19	Investment Alternative Tax and Related Income (Expense) - Net...(Note 6).....	(117)	(101)
20	Nonoperating Income (Expense) - Net..... (Note 4,15,16).....	(1,585)	(1,056)
21	Total Other Income (Expenses).....	(13,179)	(13,462)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(13,728)	(2,527)
23	Provision (Credit) for Income Taxes..... (Note 8).....	(19,247)	(1,929)
24	Income (Loss) Before Extraordinary Items.....	5,519	(598)
25	Extraordinary Items (Net of Income Taxes - 2003, \$0 ; 2002, \$0)	0	0
26	Net Income (Loss).....	\$ 5,519	\$ (598)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADE NAME OF LICENSEE TROPICANA CASINO AND RESORT

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2003

(UNAUDITED)
(\$ IN THOUSAND)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholder's Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2001	100	\$ 1	0	\$ 0	\$ 127,071	\$ 0	\$ 6,103	\$ 133,175*
2	Net Income (Loss) - 2002							927	927
3	Contribution to Paid-in -Capital								
4	Dividends								
5	Prior Period Adjustments								
6									
7									
8									
9									
10	Balance, December 31, 2002	100	\$ 1	0	\$ 0	\$ 127,071	\$ 0	\$ 7,030	\$ 134,102
11	Net Income (Loss) - 2003							(2,381)	(2,381)
12	Contribution to Paid-in -Capital								
13	Dividends								
14	Prior Period Adjustments								
15									
16									
17									
18									
19	Balance, December 31, 2003	100	\$ 1	0	\$ 0	\$ 127,071	\$ 0	\$ 4,649	\$ 131,721

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2003 AND 2002

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIP (f)	2003 (c)	2002 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	\$ (2,381)	\$ 927
	Noncash Items Included in Income and Cash Items		
	Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	28,583	27,198
31	Amortization of Other Assets.....	0	245
32	Amortization of Debt Discount or Premium.....	(22)	(66)
33	Deferred Income Taxes - Current.....	1,360	1,156
34	Deferred Income Taxes - Noncurrent.....	(10,649)	(1,701)
35	(Gain) Loss on Disposition of Property and Equipment.....	170	1,091
36	(Gain) Loss on Casino Reinvestment Obligations.....	250	(2,662)
37	(Gain) Loss from Other Investment Activities.....		
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks.....	2,916	2,424
39	Net (Increase) Decrease in Inventories.....	(55)	(1)
40	Net (Increase) Decrease in Other Current Assets.....	(1,390)	1,006
41	Net (Increase) Decrease in Other Assets.....	(2,701)	(1,069)
42	Net Increase (Decrease) in Accounts Payable.....	510	(2,315)
	Net Increase (Decrease) in Other Current Liabilities		
43	Excluding Debt.....	(992)	81
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	129,363	31,237
45	Extraordinary items (net of tax).....		
46	Construction Accident.....	396	0
47	Net Cash Provided (Used) By Operating Activities.....	\$ 145,358	\$ 57,551

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$ (130,724)	\$ (61,764)
49	Less: Capital Lease Obligations Incurred.....	0	0
50	Cash Outflows for Property and Equipment.....	\$ (130,724)	\$ (61,764)
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$ 0	\$ 0
52	Goodwill Acquired.....	0	0
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....	0	0
54	Long-Term Debt Assumed.....	0	0
55	Issuance of Stock or Capital Invested.....	0	0
56	Cash Outflows to Acquire Business Entities.....	\$ 0	\$ 0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions.....	\$ 0	\$ 0
58	Less: Issuances to Settle Long-Term Debt.....	0	0
59	Consideration in Acquisition of Business Entities.....	0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 0	\$ 0

* Construction Accident consists of asset impairment of \$3,191, insurance receivable increase of \$3,058 and accrued expenses of \$263.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE

TROPICANA CASINO AND RESORT

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2003

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	291,618	\$ 22,365	0	\$ 0
2	Food	2,298,299	22,523	5,356	52
3	Beverage	7,725,214	9,454	0	0
4	Travel	0	0	11,778	4,122
5	Bus Program Cash	618,652	9,238	0	0
6	Other Cash Complimentaries	1,225,479	18,118	0	0
7	Entertainment	43,400	87	40,175	804
8	Retail & Non-Cash Gifts	0	0	120,859	1,209
9	Parking	0	0	0	0
10	Other	1,212,470	4,534	356,265	1,837
11	Total	13,415,132	\$ 86,319	534,433	\$ 8,024

** There are no complimentary services or items in Line 10 "other" which exceeds 5% of that column's total.

FOR THE THREE MONTHS ENDED DECEMBER 31, 2003

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	64,560	\$ 5,012	0	\$ 0
2	Food	481,537	4,719	1,149	11
3	Beverage	1,805,024	2,224	0	0
4	Travel	0	0	2,671	935
5	Bus Program Cash	130,820	1,978	0	0
6	Other Cash Complimentaries	235,313	3,950	0	0
7	Entertainment	23,000	46	10,990	220
8	Retail & Non-Cash Gifts	0	0	33,853	339
9	Parking	0	0	0	0
10	Other	276,410	1,094	112,340	643
11	Total	3,016,664	\$ 19,023	161,003	\$ 2,148

** There are no complimentary services or items in Line 10 "other" which exceeds 5% of that column's total.

ADAMAR OF NEW JERSEY, INC.
DBA TROPICANA CASINO AND RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements include the accounts of Adamar of New Jersey, Inc. (the "Company") and its wholly-owned subsidiary, Manchester Mall, Inc., ("Manchester"), after elimination of all significant intercompany accounts and transactions.

The Company operates a casino hotel in Atlantic City, New Jersey and is a subsidiary of Ramada New Jersey Holdings Corporation ("RNJHC") which is, in turn, a wholly-owned subsidiary of Aztar Corporation ("Aztar"). The financial statements reflect the intercompany transactions and accounts with RNJHC, Aztar and affiliates.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In January 2003, the Financial Accounting Standards Board issued Interpretation No. 46, "Consolidation of Variable Interest Entities, an interpretation of ARB No. 51" and revised it in December 2003. The objective of FIN 46 is to improve financial reporting by enterprises involved with variable interest entities. FIN 46 establishes requirements for the consolidation of variable interest entities. An entity subject to the consolidation requirements of FIN 46 is referred to as a variable interest entity. Consolidation is required under FIN 46 when either of the following conditions is present: (1) the equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support from other parties or (2) the equity investors (as a group) do not hold a controlling financial interest in the entity. The effective date of FIN 46 depends on when the variable interest entity was formed and with the provisions of the revised FIN 46, it depends on the type of variable interest entity. FIN 46 is effective for public companies in 2003. The provisions of the revised FIN 46 are effective for public companies by the first reporting period ending after March 15, 2004. FIN 46 did not have and the Company expects the revised FIN 46 will not have any material impact on its consolidated financial position, results of operations or cash flows.

Cash and Cash Equivalents

Highly liquid debt instruments purchased with a maturity of three months or less that are not being held pending reinvestment in capital projects are classified

as cash and cash equivalents. These instruments are stated at cost, which approximates fair value because of their short maturity.

Inventories

Inventories, which consist primarily of food, beverage, uniforms and operating supplies are stated at the lower of cost or market. Cost has been determined using the average cost method.

Advertising Costs

Costs for advertising are expensed as incurred. There were no capitalized advertising costs at December 31, 2003 and December 31, 2002. Advertising costs were \$7,554,000 in 2003 and \$7,190,000 in 2002.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments in excess of \$100,000 which are all invested in the same financial institution, investments and trade accounts receivable.

Property and equipment

Property and equipment are stated at historical cost. Maintenance and repairs are charged to operations when incurred. Renewals and betterments which significantly extend the useful lives of existing property and equipment are capitalized. During construction, the Company capitalizes interest and other direct and indirect development costs. Interest is capitalized monthly by applying the effective interest rate on certain borrowings to the average balance of expenditures. Gains or losses on dispositions of property and equipment are reflected in earnings as realized.

Depreciation is computed on the straight-line basis over the estimated useful lives (building and improvements - 3 to 40 years; equipment, furniture and fixtures - 3 to 15 years).

Leasehold improvements are amortized over the lower of the estimated useful life of the improvement or the term of the related lease.

CRDA Investment

The Company is required to invest one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the Casino Reinvestment Development Authority ("CRDA") or make other approved investments equal to that amount. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The CRDA bonds are classified as held-to maturity securities and are carried at amortized cost less a valuation allowance. The average interest rate on the CRDA investment was 2.0% and 2.2% for 2003 and 2002, respectively.

New Jersey Gaming License Costs

Gaming license costs are capitalized and amortized over the renewal period. Amortization expense for gaming license costs was \$412,000 for 2003 and 2002.

Valuation of Long-Lived Assets

Long-lived assets and certain identifiable intangible assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances warrant such a review. The carrying value of a long-lived or amortizable intangible asset is considered impaired when the anticipated undiscounted cash flow from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the asset. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair values are reduced for the cost of disposition.

Casino Revenue

Casino revenue consists of the net win from gaming activities, which is the difference between gaming wins and losses. For the year ended December 31, 2003, the total casino revenue was \$368,817,000 which is comprised of \$108,794,000 for games revenue and \$260,023,000 for slot revenue. For the year ended December 31, 2002, the total casino revenue was \$400,535,000 which is comprised of \$121,980,000 for games revenue and \$278,555,000 for slot revenue. Estimated payouts for progressive slot machine balances are recorded as liabilities in the accompanying financial statements.

Complimentaries

The retail value of complimentary food, beverage, and hotel services furnished to customers is included in gross revenues and then deducted as promotional allowances in arriving at net revenue.

Income taxes

Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or income tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted rates expected to apply to taxable income in the years in which those differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Reclassifications

Certain reclassifications have been made in the December 31, 2002 Consolidated Statement of Cash Flows in order to be comparable with the December 31, 2003 presentation.

NOTE 2. PROPERTY AND EQUIPMENT

At December 31, 2003 and 2002, the components of property and equipment consisted of:

	<u>2003</u>	<u>2002</u>
Land and land improvements	\$ 49,974,000	\$ 49,974,000
Building and improvements	582,872,000	566,843,000
Furniture, fixtures and equipment	149,129,000	134,262,000
Leased personal property	2,111,000	2,254,000
Construction in progress	<u>159,964,000</u>	<u>65,369,000</u>
Total property and equipment-gross	944,050,000	818,702,000
Less accumulated depreciation and amortization	<u>(259,800,000)</u>	<u>(236,124,000)</u>
Total property and equipment	\$684,250,000 =====	\$582,578,000 =====

Depreciation expense relating to property and equipment amounted to \$28,583,000 and \$27,198,000 for the years ended December 31, 2003 and 2002, respectively. Capitalized interest for the years ended December 31, 2003 and December 31, 2002 was \$8,318,000 and \$3,004,000, respectively.

NOTE 3. LONG-TERM DEBT

At December 31, 2003 and 2002, Long-Term Debt consisted of:

	<u>2003</u>	<u>2002</u>
Notes payable - Aztar Corporation; 12.0% due 2014	<u>\$447,000,000</u>	<u>\$447,000,000</u>
Long-term debt due to affiliates	447,000,000	447,000,000
Obligations under capital leases	<u>200,000</u>	<u>327,000</u>
Total Affiliates and Other	447,200,000	447,327,000
Less: current portion	<u>(143,000)</u>	<u>(127,000)</u>
Total long-term debt	\$447,057,000 =====	\$447,200,000 =====

During 2003, the maturity of the Notes payable to Aztar Corporation was extended to October 1, 2014. Substantially all of the Company's property and equipment is pledged as collateral for long-term debt agreements of affiliates.

The aggregate fixed maturities for all long-term debt are:

2004	\$ 143,000
2005	41,000
2006	16,000
2007	0
2008	0
Thereafter	<u>447,000,000</u>
Total	\$ 447,200,000
	=====

NOTE 4. LEASE OBLIGATIONS

The Company entered into an agreement with Adamar Garage Corporation ("AGC"), an affiliate of the Company, for the lease of the Transportation Center (a 1,100-space self-park garage and a 9-bay bus terminal) and a 1,100-space parking garage along with the land, all improvements and air rights. The rental amount is \$4,700,000 per year and will expire on February 4, 2078.

Minimum future lease obligations on noncancelable leases at December 31, 2003 are as follows:

<u>YEAR</u>	<u>OPERATING</u>
2004	\$ 6,409,000
2005	5,861,000
2006	5,666,000
2007	5,457,000
2008	5,001,000
Thereafter	<u>324,990,000</u>
Total	\$ 353,384,000
	=====

Rental expenses under operating leases for 2003 and 2002 amounted to \$7,482,000 and \$7,471,000, respectively.

NOTE 5. DEFERRED CREDITS

Deferred credits consist of income taxes due to timing differences between financial and taxable income.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Licensing

On November 26, 1982, the Company was granted a plenary gaming license by the New Jersey Casino Control Commission, referred to as the "CCC". The license is renewable every four years. In November 2003, the license was renewed for a period of four years, effective through November 30, 2007, subject to the condition that the Company and Aztar provide the CCC and the New Jersey Division of Gaming Enforcement with revised financial forecasts for the first two years

of the license term by February 10, 2004. The revised financial forecasts were required to supplement previously filed financial forecasts to reflect a revised projected opening date for the expansion which was delayed as a result of an accident which occurred on October 30, 2003 at the site of the construction of the parking-garage component of the expansion (see "Note 16: Accounting for the Impact of the October 30, 2003 Construction Accident"). The revised financial forecasts have been submitted in accordance with the license condition and the CCC will determine whether there is any impact on the financial stability of the Company and Aztar in view of those revised forecasts. In making that determination, the CCC may schedule a hearing to assess continuing financial stability.

The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters, and the Company's legal posture can be successfully defended or satisfactorily settled without material adverse effect on its consolidated financial position, results of operations or cash flows.

For 2003, the annual realty tax for the land and improvements was \$18,489,000 based on a tax rate of \$3.434 per \$100 of assessed value. Realty taxes for subsequent years and for any expansion or improvements of the facilities may vary significantly depending on assessed values and the tax rate in effect at such future time.

The CCC imposes an annual tax of eight percent on gross casino revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the CRDA or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The CRDA bonds have various contractual maturities that range from 11 to 41 years. Actual maturities may differ from contractual maturities because of prepayment rights. The Company's reinvestment obligation for 2003 and 2002, respectively, was \$4,646,000 and \$5,075,000 for the purchase of CRDA bonds. In 2003 the Company recorded a loss provision of \$250,000. In 2002, the Company recorded a loss provision of \$607,000, offset by a gain of \$3,269,000 resulting from the return of its CRDA deposits. The loss provision is to recognize the effect of the below market interest rate using the interest rate in effect at December 31, 2003.

The CRDA has issued bonds that are being serviced by its parking fee revenue. A series of these bonds are collateralized by a portion, \$1,182,000 and \$448,000 at December 31, 2003 and 2002 respectively, of the Company's CRDA deposits. The portion that serves as collateral is a varying percentage of a portion of CRDA deposits that satisfy the Company's investment obligation based upon its casino revenues. In the event the CRDA's parking fees are insufficient to service its bonds, these deposits are used to service these bonds, and the Company would receive credit against future investment obligations. The Company's CRDA deposits serve as collateral for a one-year period after which,

they become available for eligible investments. This arrangement continues through 2013. The Company received a fee for this arrangement that is being amortized on a straight-line basis through 2013. The Company's estimate of the maximum potential deposits that could be used to service CRDA bonds is \$19,000,000 at December 31, 2003.

In April 2002, the Company commenced construction on a major expansion project. The expansion will consist primarily of a retail, dining and entertainment complex along with a 502-room convention hotel tower. The Company has an agreement with the CRDA for approximately \$20,100,000 in funding in connection with this expansion project. As of December 31, 2003, the Company has received approximately \$16,300,000 in funding from the CRDA under this agreement. At December 31, 2003 the Company had approximately \$800,000 in available deposits with the CRDA that qualified and accordingly was reclassified to accounts receivable.

At December 31, 2003, the Company had commitments of approximately \$67,000,000 for the expansion project.

NOTE 7. RELATED PARTIES

Transactions with affiliates consist of expenditures by affiliates on the Company's behalf including purchases of assets, facility rental, and administrative expenses or cash advances to affiliates or other receivables from affiliates. The Company has many significant transactions with Aztar.

Aztar performs various corporate services for the Company. For the years ended December 31, 2003 and 2002, Aztar charged the Company a management fee of \$32,650,000 and \$32,591,000, respectively.

Due to affiliates are reflected in Other Liabilities. The identity of the affiliate and corresponding balances at December 31, 2003 and 2002 are:

	<u>2003</u>	<u>2002</u>
Due to Aztar Corporation	\$ 148,632,000	\$ 23,862,000
Due to Ramada New Jersey, Inc.	275,000	200,000
Due to Adamar Garage Corporation	17,263,000	12,563,000
Due to Atlantic Deauville, Inc.	<u>253,000</u>	<u>183,000</u>
	\$ 166,423,000	\$ 36,808,000
	=====	=====

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliate and corresponding balances at December 31, 2003 and 2002 are:

	<u>2003</u>	<u>2002</u>
Advances to Tropicana West	\$ <u>1,811,000</u>	\$ <u>1,833,000</u>
	\$ 1,811,000	\$ 1,833,000
	=====	=====

Notes payable to related parties are included in Long-term debt to affiliates (See Note 3). The identity of the affiliate and corresponding balances at December 31, 2003 and 2002 are:

<u>PAYEE</u>	<u>2003</u>	<u>2002</u>
Aztar Corporation	\$447,000,000	\$447,000,000

For the twelve months ended December 31, 2003 and 2002 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of Goods and Services and Selling, General, and Administrative. The nature of the charges and dollar amounts are as follows:

	<u>2003</u>	<u>2002</u>
<u>COST OF GOODS AND SERVICES</u>		
Executive deferred compensation plan	\$ 4,000	\$ 5,000
Property insurance	<u>2,421,000</u>	<u>1,615,000</u>
	<u>2,425,000</u>	<u>1,620,000</u>
<u>SELLING, GENERAL AND ADMINISTRATIVE</u>		
Insurance	586,000	357,000
Executive deferred compensation plan	24,000	22,000
Claims	191,000	100,000
Professional Services	<u>2,000</u>	<u>3,000</u>
	<u>803,000</u>	<u>482,000</u>
Total	\$ 3,228,000	\$ 2,102,000
	=====	=====

NOTE 8. INCOME TAXES

The (benefit)/provision for income taxes is comprised of:

	<u>2003</u>	<u>2002</u>
Current:		
Federal	\$ -	\$ -
State	<u>3,975,000</u>	<u>4,423,000</u>
	<u>3,975,000</u>	<u>4,423,000</u>
Deferred:		
Federal	(8,587,000)	(1,275,000)
State	<u>(702,000)</u>	<u>730,000</u>
	<u>(9,289,000)</u>	<u>(545,000)</u>
	\$ (5,314,000)	\$ 3,878,000
	=====	=====

For income tax purposes, the Company is included in Aztar's consolidated corporate federal income tax return. The Company uses a separate return method for purposes of allocating the consolidated tax provision. The Company has utilized tax planning strategies with its parent company to be able to realize its net operating loss carryforwards.

The Internal Revenue Service ("IRS") is examining the Company's income tax returns for the years 2000 through 2002. In 2003, the IRS completed its examination for the years 1994 through 1999 and settled the remaining issue involving the deductibility of certain complimentaries provided to customers. The settlement resulted in a tax benefit of \$7,505,000. In 2002, the IRS completed its examination for the years 1992 and 1993. The same issue was settled and resulted in a tax benefit of \$699,000. The New Jersey Division of Taxation is examining the New Jersey income tax returns for the years 1995 through 1998. Management believes that adequate provision for income taxes has been made in the financial statements. Included in the advances from affiliates, net are \$8,398,000 and \$4,423,000 of current taxes payable at December 31, 2003, and December 31, 2002, respectively.

General business credits are taken as a reduction of the provision for income taxes during the year such credits become available. The following table provides a reconciliation between amounts determined by applying the statutory federal income tax rate to pretax income and the (benefit)/provision for income taxes:

	<u>2003</u>	<u>2002</u>
(Benefit)/Provision at statutory rate	\$ (2,694,000)	\$ 1,682,000
Increase/(Decrease) in tax resulting from:		
State income taxes, net	2,109,000	3,274,000
Change in valuation allowance	1,459,000	-
Nondeductible business expenses	(229,000)	483,000
IRS examination	(5,693,000)	(1,033,000)
General business credits	(163,000)	(152,000)
Nonqualified stock options	(85,000)	(359,000)
Other	(18,000)	(17,000)
	<u>\$ (5,314,000)</u>	<u>\$ 3,878,000</u>
	=====	=====

The income tax effects of loss carryforwards, tax credit carryforwards and temporary differences between financial and income tax reporting that give rise to the deferred income tax assets and liabilities at December 31, 2003 and 2002, are as follows:

	<u>2003</u>	<u>2002</u>
Net operating loss carryforward	\$ 31,008,000	\$ 22,790,000
Accrued liabilities	8,329,000	8,123,000
General business credits	4,557,000	4,306,000
Accrued bad debt expense	4,718,000	6,048,000
Accrued compensation	<u>1,688,000</u>	<u>1,833,000</u>
Gross deferred tax assets	<u>50,300,000</u>	<u>43,100,000</u>
Deferred tax asset valuation allowance	<u>(2,367,000)</u>	<u>(908,000)</u>
Depreciation and amortization	(22,195,000)	(21,053,000)
Other	<u>(308,000)</u>	<u>(4,998,000)</u>
Gross deferred tax liabilities	<u>(22,503,000)</u>	<u>(26,051,000)</u>
Net deferred tax assets	\$ 25,430,000 =====	\$ 16,141,000 =====

Gross deferred tax assets are reduced by a valuation allowance. The beginning-of-year valuation allowance was increased during 2003 which caused an increase in income tax expense of \$1,459,000. Realization of the remaining net deferred tax asset at December 31, 2003 is dependent on generating sufficient taxable income prior to expiration of the net operating loss and general business credit carryforwards. Although realization is not assured, management believes it is more likely than not that all of the net deferred tax asset will be realized. The amount of the net deferred tax asset considered realizable, however, could change in the near term if estimates of future taxable income during the carryforward period are changed.

At December 31, 2003, tax benefits are available for federal income tax purposes as follows:

Net operating losses	\$ 87,557,000
General business credits	4,557,000

These tax benefits will expire in the years 2005 through 2023 if not used. The Company also has net operating loss carryforwards for state income tax purposes that will expire in the following years if not used:

2005	\$ 4,483,000
2006	963,000
2009	779,000

NOTE 9. RETIREMENT PLANS

The Company has a defined contribution plan that covers substantially all employees who are not covered by a collective bargaining unit. The plan allows employees, at their discretion, to make contributions of their before-tax earnings to the plan up to an annual maximum amount. The Company matches 50% of the employee contributions that are based on up to 6% in 2003 and in 2002 of an employee's before-tax earnings. Compensation expense in 2003 and 2002, respectively, with regard to Company matching contributions was \$1,322,000 and \$1,465,000.

The Company makes contributions based on hours worked, as specified in six union agreements, to union administered, multiemployer, defined contribution pension plans. Contributions to these plans during 2003 and 2002 amounted to \$2,595,000 and \$2,399,000, respectively.

NOTE 10. PREPAID EXPENSES AND OTHER CURRENT ASSETS

At December 31, 2003 and 2002, Prepaid Expenses and Other Current Assets consisted of the following:

	<u>2003</u>	<u>2002</u>
Current deferred taxes	\$ 8,106,000	\$ 9,466,000
Other	<u>2,194,000</u>	<u>804,000</u>
Total	\$ 10,300,000 =====	\$ 10,270,000 =====

NOTE 11. INVESTMENTS, ADVANCES, AND RECEIVABLES

At December 31, 2003 and 2002, Investments, Advances, and Receivables consisted of the following:

	<u>2003</u>	<u>2002</u>
Due from affiliates	\$ 1,811,000	\$ 1,833,000
CRDA investments	<u>19,587,000</u>	<u>17,420,000</u>
Total	\$ 21,397,000 =====	\$ 19,253,000 =====

NOTE 12. OTHER ACCRUED EXPENSES

At December 31, 2003 and 2002, Other Accrued Expenses consisted of the following:

	<u>2003</u>	<u>2002</u>
Accrued payroll taxes and benefits	\$ 12,812,000	\$ 13,302,000
Accrued progressive slot win	933,000	994,000
Accrued claims reserve	732,000	782,000
Other	<u>8,022,000</u>	<u>7,290,000</u>
Total	\$ 22,499,000 =====	\$ 22,368,000 =====

NOTE 13. OTHER LIABILITIES

At December 31, 2003 and 2002, Other Liabilities consisted of the following:

	<u>2003</u>	<u>2002</u>
Due to affiliates	\$ 166,423,000	\$ 36,808,000
Other long-term liabilities	<u>2,279,000</u>	<u>2,531,000</u>
Total	\$ 168,702,000 =====	\$ 39,339,000 =====

NOTE 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents (in thousands) the carrying amounts and estimated fair values of the Company's financial instruments at December 31, 2003 and 2002, respectively. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

	<u>2003</u>		<u>2002</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
<u>Assets</u>				
Investments	\$ 19,586	\$ 19,586	\$ 17,420	\$ 17,420
<u>Liabilities</u>				
Current portion of long-term debt	143	143	127	127
Current portion of long-term liabilities	252	252	252	252
Long-term debt	57	57	200	200
Other long-term liabilities	2,279	2,279	2,531	2,531
Long-term debt due to affiliates	447,000	447,000	447,000	447,000

The carrying amounts shown in the table are included in the Consolidated Balance Sheets under the indicated captions. All the Company's financial instruments are held or issued for purposes other than trading.

The following notes summarize the major methods and assumptions used in estimating the fair values of financial instruments.

Investments consisted of direct investments, deposits with the CRDA and CRDA bonds that bear interest at two-thirds of market rates resulting in a fair value lower than cost. The carrying amounts of these investments, deposits and bonds are presented net of a valuation allowance or an unamortized discount that result in an approximation of fair values.

The fair value of the Company's CRDA bond guarantee is estimated to be the same as the unamortized carrying amount of the guarantee premium.

The amounts reported for long-term debt due to affiliates relate to the Company's notes payable to Aztar. The fair value was estimated based on the quoted market price for a similar issue.

NOTE 15. NON-OPERATING INCOME/(EXPENSE)

For the period ending December 31, 2003 and 2002, Non-operating Income/(Expense) consisted of the following:

	<u>2003</u>	<u>2002</u>
Interest income	\$ 670,000	\$ 758,000
Loss on dispositions	(170,000)	(1,091,000)
Construction accident	(512,000)	--
Affiliate rent expense	<u>(4,845,000)</u>	<u>(4,845,000)</u>
Total	\$ (4,857,000) =====	\$ (5,178,000) =====

NOTE 16: ACCOUNTING FOR THE IMPACT OF THE OCTOBER 30, 2003 CONSTRUCTION ACCIDENT

An accident occurred on the site of the construction of the parking-garage component of the expansion project on October 30, 2003. The accident resulted in loss of life and serious injuries, as well as extensive damage to the facilities under construction. Access to the property was limited during the subsequent days because some of the streets surrounding the property were closed. In addition, the Company's operations were disrupted by the temporary evacuation of 600 hotel rooms and temporary closure of the parking garages that are part of the existing property. Two streets adjacent to the property remained closed through December 31, 2003, preventing use of the bus terminal and limiting access to the existing parking garages and the porte cochere. Construction has recommenced in the portion of the expansion project unaffected by the accident.

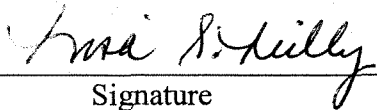
For the year ended December 31, 2003, the Company included a charge of \$512,000 in Non-Operating Income (Expense) - Net. The charge related primarily to a deductible on liability insurance and professional fees incurred. The Company reduced construction in progress for the estimated asset loss and recorded a

receivable of approximately \$3,000,000. The full extent of the asset loss will not be known until debris removal is completed and a full inspection of potential damages is performed. The Company will continue to assess other potential losses and costs it might incur in relation to the construction accident; however, these costs are not yet accruable.

The Company has business interruption insurance policies but no profit recovery was recorded at December 31, 2003. Profit recovery from business interruption insurance will be recorded when the amount of recovery is agreed to by the insurers.

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.


Signature

Controller

005939-11
License Number

On Behalf of:

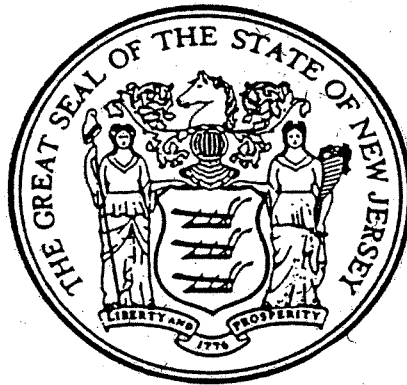
Tropicana Casino & Resort
Casino Licensee

**SCHEDULE OF RECEIVABLES AND
PATRON'S CHECKS**

LICENSEE ADAMAR OF NEW JERSEY, INC.
TROPICANA CASINO & RESORT

FOR THE QUARTER ENDED DEC. 31, 20 03

**TO THE
CASINO CONTROL COMMISSION
STATE OF NEW JERSEY**



SCHEDULE OF RECEIVABLES PATRONS' CHECKS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2003

(UNAUDITED)
(\$ in Thousands)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks.....	\$3,863		
2	Returned Patrons' Checks.....	13,889		
3	Total Patrons' Checks.....	17,752	(\$9,005)	\$8,747
4	Hotel Receivables.....	3,050	(2,545)	505
	Other Receivables:			
5	Receivables Due from Officers and Employees.....	4		
6	Receivables Due from Affiliates.....	0		
7	Other Accounts and Notes Receivables.....	4,865		
8	Total Other Receivables.....	4,869		4,869
9	Totals (Form CCC - 205).....	\$25,671	(\$11,550)	\$14,121

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$4,903
11	Counter Checks Issued (Excluding Counter Checks Issued Through Transactions Relating to Consolidations, Partial Redemptions, Substitutions, and Patrons' Cash Deposits).....	131,885
12	Checks Redeemed Prior to Deposit (Excluding the Unredeemed Portion of Counter Checks Redeemed Through Partial Redemptions, and Excluding Checks Redeemed Through Transactions Relating to Consolidations, Substitutions, and Patrons' Cash Deposits).....	(87,853)
13	Checks Collected Through Deposits.....	(40,170)
14	Checks Transferred to Returned Checks.....	(4,902)
15	Other Adjustments.....	
16	Ending Balance.....	\$3,863
17	"Hold" Checks Included in Undeposited Balance on Line 16.....	\$0
18	Provision for Uncollectable Patrons' Checks.....	\$1,151
19	Provision as a Percent of Counter Checks Issued.....	0.9%

Under penalties of perjury, I declare that I have examined this Schedule of Receivables and Patrons' Checks and to the best of my knowledge and belief, it is true and complete.

March 25, 2004
Date

[Signature]
Signature

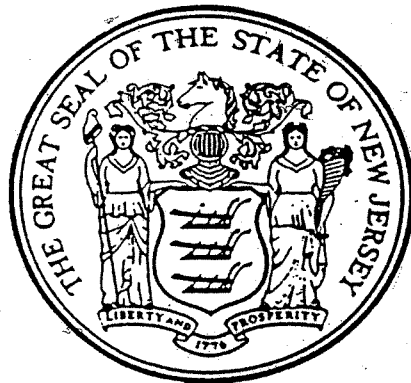
Controller
Title of Officer

**ANNUAL EMPLOYMENT
AND PAYROLL REPORT**

LICENSEE ADAMAR OF NEW JERSEY, INC.
TROPICANA CASINO & RESORT

FOR THE QUARTER ENDED DEC. 31, 2003

**TO THE
CASINO CONTROL COMMISSION
STATE OF NEW JERSEY**



ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2003

(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES AT DECEMBER 31, (c)	SALARIES AND WAGES		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
	CASINO				
1	Administration	20			
2	Gaming	990			
3	Slots	234			
4	Casino Accounting	364			
5	Simulcasting	12			
6	Other				
7	Total - Casino	1,620	\$32,274.7		\$32,274.7
8	ROOMS	425	8,593.5		8,593.5
9	FOOD AND BEVERAGE	1,016	18,027.4		18,027.4
10	OTHER OPERATED DEPARTMENTS				
11	Communications	27	450.1		450.1
12	Retail Shops	13	219.5		219.5
13	Transportation	151	2,313.9		2,313.9
14	Hotel Sales	11	551.4		551.4
15	Data Processing	23	1,192.4		1,192.4
16					0.0
17					0.0
18					0.0
19					0.0
	ADMINISTRATIVE AND GENERAL				
20	Executive office	19	1,779.1		1,779.1
21	Accounting and auditing	120	2,378.0		2,378.0
22	Security	218	4,753.5		4,753.5
23	Other administrative and general departments	69	2,221.5		2,221.5
*** 24	MARKETING	222	9,230.1		9,230.1
25	GUEST ENTERTAINMENT	230	2,265.0		2,265.0
26	PROPERTY OPERATION AND MAINTENANCE	310	8,350.3		8,350.3
27	TOTALS - ALL DEPARTMENTS	4,474	94,600.4		\$94,600.4

8/95

CCC-376

*** Marketing includes Casino and Retail Marketing

TRADING NAME OF LICENSEE Tropicana Casino and Resort

**ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE**

FOR THE YEAR ENDED DECEMBER 31, 2003

Under penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, it is true and complete.

Lisa S. Kelly
Signature

3-18-04
Date

Controller
Title

TRADING NAME OF LICENSEE : TROPICANA CASINO & RESORT

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 2003
(\$ in Thousands)

Line

CASINO WIN:	
1. Table and Other Games Win.....	107,267
2. Slot Machines Win.....	265,102
3. Total Win.....	372,369
Less - Adjustment for Uncollectible Patrons' Checks:	
4. Provision for Uncollectible Patrons' Checks	\$ 227
5. Maximum Adjustment (4% of line 3)	\$ 14,895
6. Adjustment (the lesser of line 4 or line 5)	227
7. Gross Revenue (line 3 less line 6).....	\$ 372,142
8. Tax on Gross Revenue - Reporting Year (8% of line 7).....	29,771
9. Audit or Other Adjustments to Tax on Gross Revenues in Prior Years	
10. Total Taxes on Gross Revenue (the sum of lines 8 and 9).....	29,771
11. Total Deposits Made for Tax on Reporting Year's Gross Revenue.....	(29,771)
Settlement of Prior Years' Tax on Gross Revenue	
12. Resulting from Audit or Other Adjustments - (Deposits) Credits	
13. Gross Revenue Taxes Payable (the net of lines 10, 11 and 12)	\$ -

Under penalties of perjury, I declare that I have examined this Gross Revenue Annual Tax Return and to the best of my knowledge and belief, the information contained in this return is accurate.

2/10/04
Date


Signature

CASINO CONTROLLER
Title of Officer